| 1  | Bruce Berline, Esq.                                                                                                                                                            |                                                  |  |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--|
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| 3  |                                                                                                                                                                                |                                                  |  |
| 4  |                                                                                                                                                                                |                                                  |  |
| 5  |                                                                                                                                                                                |                                                  |  |
| 6  | Email: bberline@gmail.com                                                                                                                                                      |                                                  |  |
| 7  | Aaron Halegua                                                                                                                                                                  |                                                  |  |
| 8  | New York, New York 10012                                                                                                                                                       |                                                  |  |
| 9  |                                                                                                                                                                                |                                                  |  |
| 10 | Email: ah@aaronhalegua.com                                                                                                                                                     |                                                  |  |
| 11 | Attorneys for Plaintiff                                                                                                                                                        |                                                  |  |
| 12 |                                                                                                                                                                                |                                                  |  |
| 13 | IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN MARIANA ISLANDS                                                                                                           |                                                  |  |
| 14 |                                                                                                                                                                                |                                                  |  |
| 15 | JOSHUA GRAY,                                                                                                                                                                   | Case No. 19-cv-0008                              |  |
| 16 | Plaintiff,                                                                                                                                                                     | DECLARATION OF CHRISTOPHER                       |  |
| 17 | v.                                                                                                                                                                             | CRANEY IN SUPPORT OF AN ORDER TO SHOW CAUSE      |  |
| 18 | IMPERIAL PACIFIC INTERNATIONAL                                                                                                                                                 | AGAINST IPI AND HOWYO CHI                        |  |
| 19 | (CNMI), LLC,                                                                                                                                                                   | Hearing date: n/a                                |  |
| 20 | Defendant.                                                                                                                                                                     | Hearing time: n/a Judge: Hon. Ramona V. Manglona |  |
| 21 |                                                                                                                                                                                |                                                  |  |
| 22 |                                                                                                                                                                                |                                                  |  |
| 23 | I, CHRISTOPHER CRANEY, hereby declare:                                                                                                                                         |                                                  |  |
| 24 | 1. I am over eighteen years of age and am fully competent to testify to the facts set forth in                                                                                 |                                                  |  |
| 25 | this declaration. <sup>1</sup>                                                                                                                                                 |                                                  |  |
| 26 |                                                                                                                                                                                |                                                  |  |
| 27 | The defined terms have the same was                                                                                                                                            | ting as in the Mamorendum of Law in Sugarant of  |  |
| 28 | <sup>1</sup> The defined terms herein have the same meeting as in the Memorandum of Law in Support of Plaintiff's Petition for an Order to Show Cause, unless otherwise noted. |                                                  |  |
|    |                                                                                                                                                                                | 1                                                |  |

2. I am submitting this declaration in support of Plaintiff's Petition for an Order Show Cause against IPI and Howyo Chi which seeks to hold them in civil contempt for noncompliance with this Court's Order concerning the liquidation of IPI's Personal Property. (*See* ECF No. 275 ("Order")).

#### **Inadequate Security**

- 3. I was hired by Clear Management in August 2022, when Clear was appointed to inventory and auction IPI's gaming equipment, and I have continuously worked for Clear on all of its IPI matters since that time, including to inventory and auction IPI's Personal Property and vehicles.
- 4. From August 2022 through the present, I have generally been present in the Casino building from Monday to Friday, 10 a.m. to 3 p.m. These were the hours that IPI and Clear agreed upon for Clear to have access to the Casino.
- 5. From August 2022 until at least early March, 2024, during the hours that I was at the Casino, IPI had one or sometimes two security guards present at the Casino.
- 6. Given the enormous size of the casino, the large number of entrances and exits, the lack of electricity or lights, and the lack of any surveillance equipment, it is my opinion that having only one, or even two security guards on duty at a given time is grossly inadequate to protect IPI's Personal Property from damage or theft.
- 7. In my opinion, under the current conditions, IPI would need approximately eight (8) security guards on duty 24/7 in order to adequately protect and secure the property in the Casino.
- 8. My recollection is that when the casino was open and operating, IPI typically had more than 20 security personnel on duty at any given time.

#### IPI's Liquor

9. When I began to inventory IPI's Liquor in the Casino, we moved the bottles to the Casino floor because the basement cellar was moldy and likely toxic, and also very dark since there was no electricity or any natural light.

10. In doing an inventory of IPI's Liquor, my colleague and I carefully counted and documented every bottle to prepare for it to be auctioned. After we had moved an item to the lobby floor and inspected it, the bottles were then moved into the storage rooms behind the Tapachau bar.

- 11. As reported in the inventory submitted by Clear (ECF No. 282), my colleague and I counted 61 bottles of Macallan No. 6 (including 37 bottles that were in full boxes), 73 bottles of Moutai 30-year, and 56 bottles of Moutai 50-year.
- 12. On Thanksgiving Day, November 23, 2023, my colleague and I counted the Macallan No. 6 again, which was still on the lobby floor and had not yet been moved to the storage rooms, and there were 61 bottles. We left the Casino at approximately 1 p.m. that day. **Exhibit A** is a photo of the Macallan No. 6 boxes on the lobby floor.
- 13. Two days later, on Saturday, November 25, 2023, the driver for Chairlady Lijie Cui, who is named Ming, sent me a text message that some customers wanted to view the liquor. I saw his message hours later, and replied that viewing of the liquor would start the following week and that I would let him know.
- 14. On November 27, 2023, my colleague and I returned to the Casino at 10 a.m. and counted the liquor, including the Macallan No. 6. We discovered that two (2) of the full box bottles were missing. We checked other storage locations and counted again. Still, two bottles were missing.
- 15. I reported the two missing bottles to one of IPI's security guards, Darlene Navidad. She informed me that Ming had visited the Casino on Saturday, November 25, 2023 with some other people, and they were touching the bottles of whiskey. Navidad then reported the missing bottles to Howyo Chi, who advised Navidad to call the police.
- 16. When the officers from the Department of Public Safety ("DPS") arrived, I showed them a sample of the Macallan No. 6 in a full box and told them that Ming had been present at the Casino.

The DPS officer provided me a DPS reference card containing a case number, which I am attaching as **Exhibit B**. To my knowledge, DPS has not yet found the missing Macallan No. 6.

- 17. Because two bottles were stolen, Clear had to reduce the number of Macallan No. 6 bottles that would be available for sale in the auction.
- 18. My understanding has always been that IPI was responsible for ensuring the security of IPI's Personal Property, including the liquor. Nonetheless, given the poor job that they were doing, Clear decided to put a padlock on the door to each of the storage rooms holding the liquor.
- 19. If one is facing the doors to the two storage rooms, the hinge on the door on the right side ("Right Door") was broken. **Exhibit C** is a picture of the hinge of the Left Door. **Exhibit D** is the broken hinge of the Right Door. On the Right Door, the screws attaching the hinge to the wall are entirely exposed, which means that someone can simply unscrew the hinge and remove it, even if the lock remains fastened.
- 20. In late December, 2023, close to the Christmas holiday, I had asked IPI's Security Supervisor Darlene Navidad and a maintenance employee to fix the broken Right Door so that the hinge could not simply be unscrewed. I previously tried to fix it myself, but my drill was not powerful enough. IPI never fixed the Right Door.
- 21. On January 24, 2024, the Court approved the sale of IPI's Liquor to Leader Capital Development Limited. (ECF No. 287).
- 22. On February 26, 2024, at approximately 3 p.m., I discovered that 12 bottles of the 50-year old Moutai and 5 bottles of 30-year old Moutai were stolen from the closet behind the Right Door. I reported the missing Moutai Bottles to IPI's security officer Nikki Ada. On Wednesday, February 28, 2024, I reported the stolen Moutai to DPS. I gave a statement to Officer Ermes K. Terry, showed where the Moutai was being stored, and showed photos of what the bottles looked like. DPS gave me a reference card, which I have attached as **Exhibit B**.

### 

| 1        | 23. After the Moutai was stolen, the lock on the Right Door had not been cut or broken. I am   |  |
|----------|------------------------------------------------------------------------------------------------|--|
| 2        | quite certain the Moutai liquor was stolen by unscrewing the hinge, opening the door, and then |  |
| 3        | replacing the hinge.                                                                           |  |
| 4        | 24. Based on all of my interactions with the security guards and Howyo Chi over the past few   |  |
| 5        | years, it is my understanding that Howyo Chi has been and remains in charge of security at the |  |
| 6<br>7   | Casino and warehouses, and that the security guards answered and still answer to Howyo Chi.    |  |
| 8        |                                                                                                |  |
| 9        | I declare under penalty of perjury that the foregoing is true and correct. Executed in Saipan, |  |
| 10       | i decide dider pendity of perjury that the foregoing is true and correct. Executed in Surpan,  |  |
| 11       | Commonwealth of the Northern Mariana Islands on the 8th day of April, 2024.                    |  |
| 12       |                                                                                                |  |
| 13       | /s/<br>CHRISTOPHER CRANEY                                                                      |  |
| 14       |                                                                                                |  |
| 15       |                                                                                                |  |
| 16       |                                                                                                |  |
| 17       |                                                                                                |  |
| 18       |                                                                                                |  |
| 19<br>20 |                                                                                                |  |
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| 22       |                                                                                                |  |
| 23       |                                                                                                |  |
| 24       |                                                                                                |  |
| 25       |                                                                                                |  |
| 26       |                                                                                                |  |
| 27       |                                                                                                |  |
| 28       |                                                                                                |  |

### Exhibit A



IPI Main Entry Security Post Hotel 2



## Exhibit B

#### **DPS Reference Card**

Criminal Records: 664-9072 **Detectives** :664-9042

**Traffic Section** :664-9084/85/87

Officer's Name:

Type of Complaint

ATTENTION

RETAIN THIS CARD. It is IMPORTANT. You will be requested to provide the information on this card whenever you contact the Department of Public Safety.

#### **DPS Reference Card**

Criminal Records: 664-9072 :664-9042 **Detectives** 

:664-9084/85/87 **Traffic Section** 

Case No.:

Badge No.

Type of Complaint

ATTENTION

RETAIN THIS CARD. It is IMPORTANT. You will be requested to provide the information on this card whenever you contact the Department of Public Safety.

# Exhibit C



# Exhibit D

